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COUNSEL TO THE DEBTORS AND
DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	
	§	Chapter 11
Senior Care Centers, LLC, <i>et al.</i> , ¹	§	Case No. 18-33967 (BJH)
Debtors.	§	(Jointly Administered)
	§	

**DEBTORS' STATUS REGARDING EFFECTIVE
DATE STATUS AS OF MARCH 3, 2020**

Senior Care Centers, LLC (“SCC”), and its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) hereby file this report (this “**Report**”) regarding the progress toward the Effective Date as defined in the Plan² and the *Findings of Fact, Conclusions of Law, and Order*

¹ The Debtors in the Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases, and (II) Granting Related Relief* [Docket No. 569] and may also be found on the Debtors’ claims agent’s website at <https://omnimgt.com/SeniorCareCenters>. The location of the Debtors’ service address is 600 North Pearl Street, Suite 1100, Dallas, Texas 75201.

² On October 16, 2019, the Debtors filed the *Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 2053] (the “**Third Amended Plan**”). On October 24, 2019, the Debtors filed the *Notice of Filing of Solicitation Version of Disclosure Statement for the Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 2094] (the “**Solicitation Notice**”). Attached to the Solicitation Notice as Exhibit A, was the solicitation version of the Third Amended Plan (as may be amended and/or supplemented, the “**Plan**”)

Confirming Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Docket No. 2376] (the “**Confirmation Order**”).³

The Debtors report the following updates with respect to the Effective Date of the Plan:

STATUS OF EXIT FINANCING

1. On February 11, 2020, the Debtors filed the *Debtors’ Status Report Regarding Effective Date Status as of February 11, 2020* [Docket No. 2534] (the “**First Report**”, and together with this Report, the “**Reports**”). The Court held status conferences regarding the Effective Date on February 11, 2020, February 18, 2020, and February 27, 2020 (the “**Status Conferences**”). A further status conference is scheduled for March 4, 2020 at 9:30 a.m. (CST). *See Order Continuing Status Conference* [Docket No. 2584].

2. As previously represented to the Court in the First Report and at the Status Conferences, the only remaining impediment to the Effective Date is the closing of the Exit Facility.

3. After the extensive negotiation of the ancillary Exit Facility documents and cooperation of all interested parties, including HUD approval, the Debtors anticipated closing the Exit Facility financing and going effective on March 3, 2020. To evidence this imminent closing of the Exit Facility, signature pages among various parties were executed and held in escrow on March 3, 2020.

4. At approximately 10:45am Central time on March 3, 2020, MidCap Financial Services (“**MidCap**”), the proposed Exit Facility Lender, informed the Debtors that it needed to postpone closing of the Exit Facility at this time due to, among other things, risks related to the coronavirus outbreak, and that this was an internal credit decision. During another call at 2:30pm

³ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Confirmation Order and the Plan.

Central time, MidCap advised that it was unwilling to proceed with the Exit Facility and that nothing could be done to remedy MidCap's concerns.

5. Accordingly, the Debtors are presently unable to go effective under the Plan. Given these recent developments, the Debtors are evaluating potential options, including a replacement Exit Facility Lender. The Debtors will work with the Committee and CIBC to assess the solutions and inform the Court of any updates at the omnibus hearing currently scheduled for March 10, 2020 at 1:30 p.m. (CST).

Dated: March 3, 2020
Dallas, Texas

Respectfully submitted,

POLSINELLI PC

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